App. F. IX-4

1927. 8 Sect. File No.

Previous References (S. A. 4)

S & A 100-49-2

Serial Nos.

Later References

S & A 127 Serial Nos. 3, 4, 5

S & A 112-26-1

S & A 189-28-4

G.7. 193-32-(1-2)

Later References S & A 69-44 (1-2)

General and Revenue Secretariat.

S & A 300-33-1-

S & A 1646-33 (1-8)

S & A 436-34-2

Dep 101/35

S & A 76-36 (1-4)

Serial Nos. NIL

S & A 86980

S & A 173 of 540

S & A 82-47 (1-2)

Part B for July 1937.

SUBJECT

Commutation of Pensions

The Comptroller & Cons.

The Other Heads of Departments.

The Deputy Commissioners of Divs.

The Compiler Revenue Gazette

N.F. 71-120 D 4.7.

Sanctions the revival of the Scheme of Commutation of pensions with effect from

Commutation of Pensions:-

Serial No.

I regret very much the unavoidable delay in the submission of this file. The delay was du to the desire to consider also along with this, closely allied question of having a Provident Fu Scheme instead of the present Pension Scheme for all employees of the State in the manner outline by the Dewan at Budget time in his minute dated 10th May 1926 when the current year's grant under Pensions was being fixed, a copy of which is pla below for ready reference. The system of comm tion of pension introduced in Government Order No. 7L 3463-52/S0 100-19-2 dated 4th Dec 1 was in force for only a short period and has bee suspended in Government Order No. Fl. 1979/S & A. 90-26 dated 11th September 1920. The circumstances which necessitated the suspension have been deta in the Submission Note of the Dewan dated 12th August 1921. The main reason was that the reve budget was considerably upset by these payments. Several applications since received have had to b rejected as a reversion to the old scheme was not possible, the finances not having improved appreciably enough.

The Dewan while discussing the question of Provident Fund Scheme being adopted to the emplo has suggested for examination by the Financial Branch whether the existing public servants could not be given a similar benefit of commutation of pension as this would be capitalizing future payments. He suggests that the money, may, if

7 & 0

B

Copy of minute flagged C

WD 01229—GPB—37,500—1-9-26
App. F. III—2]

General and Revenue Secretariat

File No 57 of 1926.

Serial No.

necessary be found by a terminable loan. The Dewan suggests a rate of 8 1/3 per cent. But the rate adopted in the following note is much less based on the current rates.

According to the old Commutation Table, the commuted amount for the life at age 55 was Rs.13[illegible] and odd. Our table was the same as the Governm[illegible] of India table and as the rates in this was considered to be too high, our Actuary Mr. King was requested to revise the tables. The life tab[illegible] have since been revised and according to the lat[illegible] tables of Mr. King, the money value of a payment a rupee per month lasting throughout life is put down at Rs.129·5. But according to the Govern ment of India Post Office Insurance tables, it i Rs.112·5. Perhaps the lives on which the Post Office tables were constructed were not so select as ours and money being distributed over a vast area like India, the values may have been less. Taking the rates as in the old tables and intere at the then existing market rate of 9%, if an Officer commuted one rupee of his pension, he would get Rs.138 and interest on this commuted amount at 9% per annum was roughly Re.1/-, so th the person that commuted his pension would get, at any rate the Public thought he would get as much as the commuted value of the pension itself in the shape of interest while in addition to th he would have the full benefit of the capitalize commuted amount

NOTE Contn.Sheet

WD 01229—GPB—37,500—1-9-26

Serial No.

~~commuted amount.~~ Perhaps this may have been one of the reasons for the loud protest in the Legislative Council against the scheme. This apparently disproportionate result is, I believe due to the low money value (3½% I think) taken for constructing the commutation tables while even the official rate of interest and of course the market value of money is much higher.

It is now proposed to reexamine the question of introducing the system of commutation of pensio in mysore on the lines in British India where their system has been recently overhauled. A resolution of the Govt of India in the matter published in the Govt of India notification dated 21st January 1926 detailing the commutation rules is placed below.

The main features in British India are ~~that~~:- (1) the fixing of certain maxima and minima for th amount commutable, (2) the extent of payments made each year is limited to the Budget grant, (3) these payments are charged to a Capital Head which is relieved by equated credits for 15 years, (4) In est also is paid on the amount charged to Capita at the present prevailing rate and the interest so paid is charged to the Service Head Interest.

It has already been stated that the commutated value adopted by the Government of India is less than those of ours. Now taking even this lower value the Government of India value viz., Rs.112·2 and spreading this charge over 15 years, the annual equated payment

NOTE: Contn.Sheet

Serial No

charged to Revenue would be 7.5. The interest payable on the Capital is Rs.112.2 at 5% in the first year, Rs.106.7 in the second year, Rs. 97.2 in the third year and so on. I note in the margin the annu sums payable both on account of principal and interest at 6% and it is seen that in the aggregate this is 14 Rs.less than what would otherwise have been actually payable to the pensioner, if he had lived for 15 years i.e., 15 x 12. According to our tables the payments so spread over will be Rs.30 more than what would have been payable as pension as under.

Government of India Tables.

Amount credited towards premium. ..	112.2
Do Interest	53.8
	166/-
Amt-act payable as Pens^n after a life (180/-)	

Amount credited towards premium	129.5
Do interest	81.1
	210.6
Amt payable as pension	180/-

It is thus seen that according to our life tables the State will loose even spreading the charge over 15 years so the period will have to be longer. But do not know if a longer period of average life in the case of these pensioners is justifiable by facts.

But the whole thing is one of actuarial calculations and I am therefore unwilling to note on this aspect of this question. It seems to me however that to expect even an average life of 15 years is rather too much. The calculations should, I think, be limited to 10 years or even less and according to our present tables payments for 10 years will result in ~~Rs~~ 52.2 loss to the State as noted in the margin. This means that the existing life values appear to be too high. If the commuted value is to have any near relation to the amount payable as pension in 10 years the life tables are to be revised. Perhaps even the existing tables which are prepared I think on a 3½% basis may give this result if prepared on a 6% basis. We may

Premium	129.5
Interest	43.7
	172.2
Amount payable as pension ..	120.0
net loss	52.2

NOTE— Contn. Sheet

Serial No

in any case
perhaps request the Actuary to do this/ also consult him in the matter

While writing the above one aspect of the case struck me and I would like to press this strongly before the attention of Government viz., that we have with us enough data to work out the correctnes or otherwise of the figures furnished.

We have now got life cards in respect of all pensioners since 1910. With this data we can assum that the Government of Indis system was introduced fo the three years 1910, 1911 and 1912 and we can also assume that all people that retired during these three years commuted ¼ of their pensions (I.E., the limit allowed by us) and open for purposes of calcu lation the Capital Head referred to above, change interest on it at 5% and give credit by equated pay ments and see how the total amount thus worked out by the pensioners actually compares with the pension drawn. If the net payment made by us is more, than our tables re- quire revision.

After all there may not be more than 100 case and one intelligent Accountant of the Insurance - Office eg., Mr. Narsimha Sastry may be placed on Special Duty for about a month for these calculatic

The other alternative that I would suggest in this connn is working this commutation as a part of the Insurance Department. Once our tables are prepared on a 5% a basis and on a careful experience of the life of ¼ pensioners then there would be no risk involved ir commutation of pensions and Instead of the State - Revenues being upset by these commutations and the inequities otherwise resulting in allowing commutation only t the extent of the Budget grant, such a procedure - would mean that the Insurance Department with the

NOTE.— Contn. Sheet

Serial No

large balance at its credit would be able to finance this scheme and fully satisfy all applicants to commutation. Here we in mysore unlike for. India have an advantage, in having an Insurance department of our own which the Government of India have not got. What is required is however a carefully prepared life table and this the Insurance Department would get done. To make the proposition safer still, the tables may be calculated on a 6% basis for in the case of commutation of pensions unlike the ordinary insurance the higher the rate of interest adopted in working out the interest on the Capital sum payable, the more advantageous to the fund, the calculations will be.

The Insurance Department may perhaps be consulted.

FINANCIAL SECRETARY
6 NOV. 1926
no. 1015.

By 15/4/15

7188)

P. T. O

WD 01264—GPB—40,000—17-12-25

Serial No

The privilege of commuting pensions of retired officers in Mysore was introduced for the first time in December 1919 on the lines of the rules then in force in British India. A large number of Mysore pensioners having applied for the grant of this benefit, the provision made in the Revenue budget was found to be insufficient, and in view of the financial difficulties and undue strain on the Revenue position, the operation of the rules was suspended in September 1920. Subsequently in the Legislative Council meeting on 27th June 1921, Mr. Nanjundiah moved a resolution recommending that the provisions authorising the commutations of pensions sanctioned in the G.O. of 4th December 1919 be altogether withdrawn and cancelled. In the course of the discussion on the resolution which was passed by a majority in spite of the Govt. opposition, it was explained on behalf of Government that the tables constructed for the calculations of the commuted value of the pensions would be subjected to fresh actuarial examination and that the whole scheme of commutation of pensions would be reconsidered.

The report of Mr. King, the consulting Actuary, was received in March 1924 and Government approved of the new table prepared by him for adoption when commutation of pensions would be resumed. It will be seen from Mr. King's report that the table of the Government of India which we had originally adopted, was calculated at a low

Serial No

low rate of 3½% interest and that the rates of mortality were derived in respondentia proportion from the records of Military Service Funds. His revised commutation values are based on the Mysore Experience Mortality Table of pensioners at age - 55 or over with interest at 4¼%. In submitting his proposals he made the following observations:

" I feel convinced that in proposing the new suggested values, I am dealing fairly with the Mysore Government itself and with the pensioners. The Mysore Government has to find the money for the commuted pensions and is entitled to a reasonable rate of interest on its advances. But it wants to be generous with its employees. At the present time 4¼% is really below the market rate of interest. But all the same, I feel sure that the Government will be glad to give its employees this small advantage. Had a higher rate been used, the reduction in the commutation value at the younger ages would have been larger. I do not think that the Government wishes to reduce these values too far. On the other hand, the - pensioners themselves will be treated generously should the new rates be adopted and that, I feel sure will give satisfaction and ease which the - Government desires. "

As requested by Mr. King a copy of his report was sent to the Residency for being forwarded to the India Office.

Although several applications have been

NOTE.— Contd. Sheet

Serial No

been received by retired officers in Mysore for commuting part of their pensions, since Government have not been able to revive the scheme, owing mainly to the revenue position not permitting it.

The question has assumed a new aspect in view of the adoption of a revised scheme of commutation of pensions by the Government of India. According to the recent rules sanctioned in British India, there are three important changes made in the scheme.

Firstly, the tables for commutation have, in view of altered conditions, been reconstructed with the result that there has been appreciable reduction in the commuted value of pensions, as will be seen from the following comparative table of a couple of entries.

Age at commutation.	Rates originally in force in British India.	Rates suggested by Mr. King and adopted in Mysore.	Post Office Assurance rates now adopted by the Govt. of India.
55	138·6	129·5	112·2
..	.. ..	.. ..	.. ..
60	119·5	113·9	98·1 .

Secondly, to ease the burden on the revenue position, the expenditure on account of commuted value is charged to a Capital head and the debit to the Revenue account is spread, through equated payments, on account of principal and interest, over a period of 15 years. The equated payment in each year will be debited to " Pensions " by credit to the Capital head for the capital por-

Serial No

portion of the pension and by deduction of the interest charge for the interest portion of the payments. This arrangement brings out prominently to public notice the business aspect of the scheme.

Thirdly, the commutation of pension is permissable up to one half of the pension, subject to a minimum of Rs.20/- as life subsistence.

According to the arrangement sanctioned by the Government of India, the position may roughly be stated to be as follows:-

A perfectly healthy pensioner at 55, desirous of commuting one rupee of his monthly pension, will be entitled to get Rs. 112·2. This will be equivalent to a total pension that would be drawn from between 9 to 10 years. The total of the equated payments calculated at 5½%, (which may be assumed as the present rate of interest on capital funds provided for productive works) would be about Rs.165/-, and spread over 15 years the instalment will be a little less than the amount which Government would have to pay in the shape of monthly pension. The only risk involved in this case is, that, when the expectancy of life in the case of a pensioner is not realised, the Government will lose part of the commuted amount. But if the pensioner survives beyond that date, Government will correspondingly gain. In other words, those who live long help those who die earlier. This is purely a business proposition and there is no much risk involved in the commutation as the tables are constructed

Archer's tables

Serial No

constructed on the average expectancy of life and on the experience of Mortality Table of ~~Mysore~~ Indian Pensioners.

So far as the revenue position is concerned the commutation will not add to ~~any burden~~ the annual charges and they ~~annual charges~~ are equalised through a period of 15 years. The ~~concerned~~ commuted value is repayable practically by a terminable loan and Government will get a fair return for the commuted value in accordance with the ~~current~~ ruling rate of ~~interest~~ the money market

During the discussion of Mr. Nanjundia's resolution, Sir K.P.Puttanna Chetty observed, that there would be less objection from the non-official side to the principle of commutation, if it can be made a part of the Insurance scheme. Insurance Companies provide for the grant of annuities for life or for a term of years in return for payment of lumpsum amounts, and no Indian Company, so far as I am aware of, has undertaken the conversion arrangement of capitalising the annuities. There is a practical difficulty arising in the recovery of the annuities as it falls due and an agency is required to supervise it. In the case of the Mysore State Life Insurance, this difficulty is not insuperable as arrangements can be made for the regular transfe of the monthly pensions commuted to the Fund during the life of the pensioner. But the cost of agency for supervising has to be taken into account in any case, as the commuted part has will not be with but it has to be drawn monthly during life of the pensioner

An alternative would be, to fit in the Govt. of India scheme with the Insurance branch partly, by obtaining ~~an~~ on loan the commutation value from the

NOTE— Contd. Sheet

Serial No

the Insurance Funds and the advances being replaced by equated payments for 15 years charged to revenue. Under this arrangement too, Government need not provide in the revenue budget any more money than at present. The provision that is now being made for meeting the pensionary charges will be more than adequate to meet the equated payments of the commuted value and the Insurance Fund will get interest on the money that it will advance. The Fund is accumulating year after year and part of the annual growth may be invested in this way. The balance of the fund carries interest at 2 rates, namely, at a fixed rate of 3½% p.a. on the balance that accrued up to 1-7-1917 and at 5%, temporary, in respect of the subsequent accretions. In return for the advance that may be taken by Government for paying the commuted value of pensions, interest at ½% above the fixed rate, that is, at 4% may be allowed to the Insurance Fund and the equated payments calculated at this rate of interest. If the commuted value of one rupee of a healthy pensioner at 55 is Rs.112·2 according to the revised table of the Government of India and at 4% the equated payment for 15 years will be about Rs. 10 p.a. From the point of view of the State, the result of commutation will be this: instead of making monthly payment of one rupee during the life of the pensioner, Government will have to pay annually to the Insurance Fund Rs.10 for a fixed term of 15 years in repayment of the loan obtained. The re-

Serial No

revenue position of any year will not be disturbed by the commutation arrangement. The pensionary charges are on the increase year after year and the commutation of a portion of the pension claim will tend to reduce the rate of increase to some extent throwing the burden proportionately on future years. Pensioners in Mysore will have the benefit of the scheme and the Insurance Fund will get ½% more than it would otherwise have had as interest on its - funds utilised for the purpose.

This arrangement is however open to the following criticism. The State Life Insurance - Scheme is worked ~~as wholly~~ under Government auspicies practically as a Department of Govt. and its funds are deposited with Government. Even though the commutation scheme be worked wholly or partly in the Insurance branch the capital resources ~~urces~~ of Government will get reduced by the drawings required to pay the commuted value. There is after all no material advantage in the Insurance Department taking over the scheme as it is not intended to be worked for profit to the State or to the fund but mainly to afford convenience to the pensioners who have faithfully served the country and in - accordance with the policy adopted elsewhere by civilised Governments. In view of all these considerations the interposition of the Insurance - branch to work the ~~Government~~ commutation scheme may not be quite necessary or desirable and if the Government decide to revive the commutation scheme it is best to work it wholly as part of the service

Serial No

service arrangement.

There is one other aspect to be considered in this connection. From past experience it may be presumed that immediately on the reintroduction of the scheme there will be a rush of applications for commutation of pension. The tendency in these days is to capitalise future payments in view of various opportunities for investments and as it will not be possible to admit all applications that may be presented without dislocating the year's financial arrangements, some suitable limitations will have to be imposed.

In British India commutation is ~~permissable~~ permitted up to ½ of the pension subject to the condition that Rs.20/- will remain uncommuted. According to the rules in Mysore commutation is permissable only up to ¼ of the pension. No commutation is allowed in the case of pensioners drawing Rs.10/- and less. These provisions may continue with a slight modification that the ~~commutation~~ privilege should be subject to the condition that Rs.10/- out of the pension should be left uncommuted. We have got a compulsory Insurance scheme under which a superannuated officer will get a lumpsum bonus on retirement. This will ordinarily provide sufficient capital for him for making suitable provision for old age and also for his family or to discharge his debts etc. The salaries in Mysore are comparatively less than in British India and a larger proportion than ¼ of the pension need not be permitted to be

Serial No

be commuted. Commutation of pension may not after all confer an unmixed good in all cases. The sinking of the capitalised fund in doubtful investments will undoubtedly place the pensioner at a disadvantage.

Taking all aspects into consideration I beg to suggest the following proposals:-

1) The privilege of commutation may be limited as under the existing rules to ⅓ of the pension.

2) Rs. 10/- out of the pension may be left uncommuted.

3) For the present the privilege of commutation may be restricted to those whose pensions do not exceed Rs. 100/- . Further extension of the scheme to pensioners drawing a higher scale of pension may be considered after the revived scheme has been in force for 2 years.

4) The medical examination may be required to be conducted as in the case of the State Life Insurance and the certifying medical officer may be asked to send his report in the detailed form prescribed for proposals in the State Life Insurance.

(Mutatis mutandis)

5) Before sanctioning applications for pension commutation the Senior Surgeon's opinion may invariably be obtained in every case.

Serial No

6) In the case of invalid pensions, a certificate from a Medical Board may be insisted on as in British India.

7) An annual provision of 1 lakh of rupees may be made in the capital budget for a period of 3 years subject to reconsideration thereafter.

8) The rate of interest for calculation of equated payments may be fixed at 5% during the said period. At this rate the annual instalment of equated payment will be about Rs. 11/- in 10 2/3.

9) As in British India the equated payment may be charged to " Pension " by credit of the capital portion to the Capital head and the interest portion to the service head " Interest. " as a reduction of charge.

Before further action is taken, the question may perhaps be referred to the Finance and Taxation Committee for consideration and opinion.

Submitted to the Second Member with reference to the Council note.(Flag C)

The question raised in the Dewan's Minute of 10th May 1926 , Pension vs. Provident Fund which is a more difficult question, is being dealt with in another file which will be submitted separately.

2nd member

21.11.26.

0

OFFICE OF THE SECOND MEMBER OF COUNCIL
23 NOV. 1926
No. 3505

Serial No.

I think it is necessary to revive the Scheme of Commutation of Pensions. The Pension system is unsatisfactory in many respects and coupling it with the Scheme of Commutation will go some way to remove its defects.

As observed by the Financial Secretary, the resumption of the scheme has to be attempted in instalments and subject to some reservations. The scheme of commutation was in force only for a very short period before it was suspended and its revival now will invite applications from a very large body of pensioners. Though we may adopt the Government of India system of providing from Capital Funds the money required for making commuted payments, we cannot entertain all applications as even our Capital resources from which these demands will have to be met in the first instance are limited.

The Table of Commuted Values now in force in British India is financially more favourable to Government than even the table constructed for us by Mr. King, the Actuary, and we may, therefore, adopt the former. All the proposals (1 to 9) made in the Financial Secretary's note dated 21st November 1926 may be accepted and the rules for commutation of pensions revised accordingly.

In view of the attitude of the Legislative Council towards the scheme of commutation, as expressed in the Resolution moved on the 27th June 1921, it is desirable, as suggested by the

FINANCIAL SECRETARY
DEC. 1926
2141

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2023

WD 01229—GPB—37,500—1-9-26

App. F. III—2

General and Revenue Secretariat | File No' | of 192 .

Serial No.

Financial Secretary, to place the proposal for reviving the scheme before the Finance & Taxation Committee before taking further action in the matter.

D E W A N.)

Mues 27.12

31.12.26

1/1/27

P.C. Include in next agenda. 1/1/27

DEWAN'S OFFICE.
Received on
31. DEC. 1926
Reg. No. 4813.

No 2217

2253

4/1/27

Issued with a printed Copy of the Proceedings of the D.d F.C. meeting held on the 22nd instant & Duly 19 If approved. this file will be sent to the Assistant Secretary; Finance for further action.

1.3.27. Take necessary action. Compliance with D.O. 160 is sent. 1.3.27.

NOTE—Contn.Sheet

WD 01223—GPB—37,500—1-9-26

General and Revenue Secretariat | File No | of 192 .

PROVINCIAL SECRETARIATS
927
4071
4/3.

File 7.

Serial No.

With the approval of the Dewan, the proposal to revive the scheme of Commutation of Pensions restricting it to pensioners in receipt of not more than Rs 100 per mensem, was placed before the Finance and Taxation Committee and was considered by that body at the meeting held on 22nd Feb. 1927. A copy of the proceedings is placed in the file. Of the three non-official Members who were present at the meeting, Mr. Abbas Khan and Mr. Byanna were agreeable to the revival of the ~~proposed~~ scheme. The attitude of Mr. Paramasiviah, in opposing the measure, does not appear to be reasonable, when it is remembered that the pensioners themselves are anxious to have the facility for commuting a portion of their pension.

The privilege of commuting pensions up to one half, is allowed in all British Provinces and from the budget speech of the Madras Finance Member, it will be seen that as much as a sum of 10 lakhs of rupees has been provided in the next year's estimate of that province for meeting the applications for commutation of pension. Under the rules ~~now~~ herein proposed, permission to commute only $\frac{1}{4}$ of the pension will be granted, the remaining $\frac{3}{4}$ being left for the maintenance of the pensioner and his family. After all, the pensioner is himself ~~will be~~ the best judge of what would be conducive to his own interest. Messrs. B. Narasinga Rao, C. Narasimhaih and D.S. Mallapa were absent from the meeting. A note on the

NOTE- Contn.Sheet

Serial No

the revival of commutation of pensions had been sent to them prior to the meeting. They have not communicated their disapproval.

Under the proposed arrangement commutation will not be a charge on the Revenue, but provision will be made under a new capital head which will be cleared by annual equated payments from Revenue in 15 years. In the proposals formulated for reviving the scheme, sufficient safeguards have been provided against an undue strain even on the capital resources of the state.

From the statistics relating to pensioners in receipt of pensions between Rs 10 and 100 it will be seen that the monthly amount drawn is at about Rs 42,000. Assuming that about half the no of the existing pensioners will apply for commutation and will be certified to be eligible for the commutation according to the schedule rates, the total amount required for conversion of ¼ of their pension may not exceed about 4 lakhs of rupees, and by a careful handling of the applications the requests of the existing pensioners may be expected to be fully satisfied in the course of four years. The annual provision of one lakh of rupees under the capital head proposed by me will, I believe, be adequate to meet all reasonable demands.

This is a beneficient measure. Its suspension in 1920 was mainly due to the State's financial difficulties at that time, and we need not,, I think, hesitate to resume the scheme in its

WD 01264—GPB—40,000—17-12-25

General and Revenue Secretariat

File No. 2073

of 192 .

Serial No.

its improved form and with the limitations suggested im my note dated 21st Nov. 1926. If the Dewan approves, the question may now be considered in council and action taken to provide a sum of Rs one lakh in the next year's ~~&p~~ capital budget.

2nd member)

I agree 2.3.27

Dewan) 5/3/27

DEWAN'S OFFICE.
Received on
9 MAR. 1927
Reg. No. 6650

Recd 5/3/27

OFFICE OF THE SECOND MEMBER OF COUNCIL
5 MAR. 1927
No. 5938.

4129/5/3

Mr 9/3

Mr. I secy will this if pleased with Dewan is submitted a Council)

Noted

Do circulate them with compliments

C. B

10/3/27.

Circulate

Mr 10/3/27.

4639/4B

NOTE—Contn. Sheet

(For Disposal at a Meeting)

No. C.336

of 19 26-27

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

SUBJECT.

(Clause xii of the schedule.)

Revival of the Scheme of Commutation of Pensions.

CIRCULATED TO THE MEMBERS OF COUNCIL.

By Order,

Chief Secretary to Government.

15th March 19 27.

Extraordinary Member of Council.

9697/23/3 **First Member of Council.** 108 23/3/27

Second Member of Council. (on leave).

1842/22/3/27 **Third Member of Council.** 1858/24/3

8 4071

C 336

Extract from the Proceedings of the 796th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 9th April 1927. 19.

182. Subject. - Clause xii of the schedule.

Revival of the Scheme of commutation of pensions.

OPINION OF THE COUNCIL.

The scheme recommended by the Financial Secretary may be approved.

(Signed) MIRZA M. ISMAIL,

DEWAN OF MYSORE.

"EXTRACT"

Financial Secretary with Compts

Chief Secretary to Government.

WD 1471—GPB—2,000—1-8-21

WD 01229—GPB—37,500—1-9-26

General and Revenue Secretariat | File No. | of 192 .

Serial No.

Sub'd with a ~~draft~~ D.F.N.

KW
13/4

B
14/4

Fe 88 Clean draft - Flag refes.
k
15.4.27

FINANCIAL SECRETARY
14 APR. 1927
No. 5934

In submitting the D.F.N. for approval, I beg to invite attention to one important point. According to the Government of India Circular of March 1927, the tables of commutation value have been reconstructed adopting ~~a~~ an interest rate of 4¾% per annum, In view of the recent fall in interest on the Government of India borrowings and also suitable mortality statistics, The values are slightly more than what were adopted in the Govt ment of India scheme of January 1926. Even the rates according to the latest tables are on the whole more favourable than the tables constructe for us by Mr.King. In the ~~latest~~ new tables provisi is made for commutation at all ages from 25 to 8 Mr. King's tables commence from age 40. The Government of India tables now superseded provic for commutation at ages 35 to 80. The latest tables of the Government of India sanctioned i their circular of March 1927 may be adopted i Mysore.

k
16-4

3rd Member.)

C&R
18/4

Subd.
D.S.N. is put up.
Dewan)

D. S. N
18/4

DEWAN'S OFFICE.
Received on
20. APR. 1927
Reg. No. 8308.

625
22.4

OFFICE OF THE
SECOND MEMBER OF COUNCIL.
18 APR. 1927
6399

6121

NOTE- Contn.Sheet

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Serial No

These papers may be put up to the II Member on return from leave for favour of his opinion before submission to His Highness.

JM
21.4.27

for perusal

3rd Memb) By 25/4 Yes. Certainly.

CSH
25/4/27

I would invite ref to my note of 27.12.26. I think it is necessary to re-introduce this measure and the Suggestions of the Fd Secy may well form the first instalment of the revised Scheme — and we may adopt the latest commutation Table of the Govt of India as suggested by the Fd Secy. 7/5/27

Dewan) JM
12/5

Final Note signed by the Member to put up.

EJ 16/5. D. S. N. has seen

Dewan) h 16/5

OFFICE OF THE SECOND MEMBER OF COUNCIL
25 APR. 1927
No. 6482

OFFICE OF THE SECOND MEMBER OF COUNCIL
7 MAY 1927
No. 6619

6813 16/5

DEWAN'S OFFICE.
Received on
11. MAY 1927
Dak No. 8630

DEWAN'S OFFICE.
7137
Received on
16. MAY 1927
Dak No. 8783

Submitted to His Highness.

I submit herewith a Final Note by the Second Member of Council on the subject of revival of the scheme of commutation of pensions in Mysore for His Highness' gracious approval.

Bangalore,
16th May 1927.

Mirza M. Ismail
Dewan.

Final Note by the Second Member of Council.

Subject:—

Revival of the Scheme of Commutation of Pensions.

With the sanction of His Highness, the system of commutation of pensions was introduced for the first time by Government Order No. Fl. 3463-572/S. & A. 100-19-2 dated 4th December 1919. Owing to rush of applications by pensioners for commutation and consequent undue strain on the Revenue Budget for meeting them, the scheme was held in abeyance according to the Order of September 1920.

2. Subsequently, when a resolution was moved by Mr. N. S. Nanjundiah in the Legislative Council on 27th June 1921 recommending that the system of commutation of pensions be abolished, Government stated that the table for calculation of commuted values would be subjected to actuarial examination and that the whole scheme re-examined before it was re-introduced. The consulting actuary Mr. King, who valued our Insurance Fund, was required to re-calculate the commutation tables and on his advice, a revised set of tables prepared by him was approved for adoption and it was proposed to revive the scheme when the State's financial position permitted it.

3. In January 1926, the Government of India revised their scheme of commutation of pensions and introduced a new arrange

arrangement under which the commuted value of pensions may be advanced out of Capital Funds and the loan adjusted with interest out of revenue in instalments in fifteen years. The adoption of revised tables of present values more favourable to Government than Mr. King's was also sanctioned by the Government of India.

4. When Mr. Mushir-ul-Mulk Mir Humza Hussain applied in March 1926 for commutation of a part of his pension, the Council desired that the question of adopting the revised system introduced by the Government of India Revised Scheme might be examined. The Financial Secretary has accordingly suggested, in his note dated 21st November 1926, the revival of the scheme on the Government of India model, subject to certain safe-guard to ease the strain on the State's finances. He has proposed that the privilege of commutation may, for the present, be restricted to pensioners in receipt of pensions not exceeding Rs 100/- and that the extension of the scheme to pensioners drawing higher pensions may be considered after the revised scheme has been in force for a couple of years.

5. His proposals are as follows:-

1. Commutation may be limited, as under existing rules, to one-fourth of the pension.

2. Rupees ten (Rs 10/-) out of the pension may be left uncommuted.

3. For the present, the privilege of commutatic may be restricted to those whose pensions do not exceed Rs 100/- and the extension of the scheme to pensioners drawing higher pensions may be considered after the revived scheme has been in force for two years.

4. Medical examination may be required to be conducted as in the case of the State Life Insurance and the certifying medical officers may be asked to send their reports in the detailed form prescribed for proposals in the State Life Insurance (*mutatis mutandis*).

5. Before sanctioning applications for commutation, the Senior Surgeon's opinion may invariably be obtained in every case.

6. In the case of invalid pensions, a certificate from a Medical Board may be insiste on as in British India.

7. An annual provision of one lakh of rupees may be made in the Capital Budget for a period of three years, subject to re-consideration thereafter.

8. The rate of interest for calculation of equated payments may be fixed at 5 per cent. during the said period.

9. As in British India, the equated payment ma be charged to "Pension" by credit of the Capital portion to the Capital head and the interest portion to the Service head "Interest" as a reduction of charge, the advance being adjusted in fifteen years.

He also suggested that before further action w a s taken, the question might be referred to the Finance & Taxatio Committee.

7. The question was placed before the Finance & Taxatio Committee and was considered by that body on the 22nd February 1927.

8. The subject was then considered in Council at the meeting held on 9th April 1927, when it was resolved that the scheme recommended by the Financial Secretary might be approved.

9. In view of the recent fall in the rate of interest on their market-borrowings, the Government of India have had their table of present values reconstructed ~~adopting the interest~~ based on the index rate of $4\frac{3}{4}$ per cent. per annum and ~~also~~ suitable rates of mortality. The new table is, on the whole, more favourable to Government than Mr. King's and may be adopted by us.

10. The Government of India rules permit commutation of pensions up to one-half, but in Mysore the privilege will be limited to only one-fourth of the pension for the present.

11. It is proposed to provide a sum of one lakh rupees in the Capital Budget for 1927-28 for the purpose to limit the grant of applications to the budget provisi

12. In the circumstances explained above, His Highness' gracious sanction to the Council Resolution is solicited.

Bangalore,
14th M a y 1927.

MEMBER OF COUNCIL.

Record of Cases submitted for the Order of His Highness the Maharaja.

Subject.

Proposals for the revival of the scheme of commutation of pen:

No. 837

Order.

~~KRW~~
21/5/27

C. Secy
PM
26.5.27

C 336.

General and Revenue Secretariat

SUBJECT

Proposals for the revival of the Scheme of Commutation of pensions.

F. IN 1651
27.8.97

(*)

31. All urgent or confidential files returned with His Highness' orders may, in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circlated to the Members of Council at headquaters and then sent to the Secretariat coneerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before /after issue of orders. (*Vide* Rules 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

By Order,

Chief Secretary to Government.

Through the Secretary to Government,

Financial Department.

Draft under ack-ment
h
27/5

FIRST MEMBER OF COUNCIL.

SECOND MEMBER OF COUNCIL.

Third
~~EXTRA~~ MEMBER OF COUNCIL. (on leave)

NOTE - Contn. sheet.

App. F. III—2]

General and Revenue Secretariat. | S.A. File No. 57 of 1926.

Serial No.

7906
1/6/27

Subd. with a draft order for approval
VN 4/1
28/5

Pa
1/6

H88

Draft revised and submitted
2nd member) 4
2.6.27

Pa

Please see Modification of rule 2.
We may have male prisoners examined by D.Ms's and female prisoners by Lady Surgeons or Asst Surgeons.
It is well to issue this order after the Budget for next Year passes thro' the L.C. I believe this grant is non-voted
mch
6.6.27

P.S. We should issue this order on or before 1.7.27.

The modification is suitable. The 'Commutation of punishment' is under existing orders a non-votable minor head under provision. The change in the method of accounting will not alter the

NOTE—Contn. sheet.

OFFICE OF THE SECRETARY TO GOVERNMENT OF COUNCIL.
4 JUNE 1927
No. 7281

8773
6/6

Fit the submitted for perusal of the Hon'ble member after issue. 4

For kind perusal of Hon'ble orders.
(2 member) 4
8/6/27

* I am sorry it did not strike me. Approved 4
Mch. 8.6.27

General and Revenue Secretariat.

File No. of 192

Serial No.

Character of the charge.

~~Expenditure~~ In the Budget of the Madras Presy Govt that a portion of Expenditure under the Capital head - Construction of Railways ~~etc~~ is treated as non-voted - Where the Service head Pension - is partly voted & partly non voted -

The rule may issue after the Budget passes thro' L.C and then the 1st July 27

2nd member 4 8/6/27

Mudr 8/6/27 4 9/6

Sir. Please post this file up on the 26th Please also post up amendments to Mrs now out.

Bs 11/6

May we go issue now

2nd member 4 29/6/27

Yes. The proof requires Exam^n. I have noted some alterations req^d

Mer 29.6.27

~~The g.^l of Secty with applications~~

Let the clean proof be taken & Rg/6

GPB—5,000-30-3-27

OFFICE OF THE SECOND MEMBER OF COUNCIL 8 JUNE 1927 No. 7452

9339

Ad from the Secretariat 9/6. VII

OFFICE OF THE SECOND MEMBER OF COUNCIL 29 JUNE 1927 No. 7825

NOTE—Contd. sheet

2023-26

F. III—2]

General and Revenue Secretariat. | File No. of 192

Serial No.

I place below draft corrections to the M.S.R. on account of the revised rules for commutation of pensions. Special attention is invited to the additions made in rule 7 and to note (2) of form 'A'. This may be published also in the next week's Gazette for general information.

234/5/7

Ba 4/7

Ftsq)

Fair dft of the rules put up

Ba 5/7

Ftsq)

For approval

2nd meeting 4 5/7/27

Appd.

Rule 9 Page 3. Who is to furnish the E.M.O. with information re grounds of invaliding or with statement of applicant's Med Case?

Mcq. 7/7/27

OFFICE OF THE SECOND REVIEWER OF COUNCIL
6 JULY 1927
No. 122

308/7/7

To Toone Bally

The rule under reference is copied from the existing provision. I think the applicant should furnish the information. This point has been made clear. Reference is invited to Q^n 6 in the application form. A.

4 7.7.27

2nd meeting

Ba

308/8/7

Ba 9/7

OFFICE OF THE SECOND REVIEWER OF COUNCIL
7 JULY 1927
No. 149

Note—Contn. sheet.

WD 2293—GPB—10,000—4-5-27

In such cases it will be necessary to refer to M.C. produced with permission of Govt & this may be intimated to applicant

Seen—Hemp 8/7/27 h

Proceedings of the Government of His Highness the Maharaja of Mysore.

R e a d:-

G.O.No.Fl.3463-572/S&A 100-19-2 dated 4th December 1919 authorising the commutation of pensions according to rules prescribed in the annexure to that order.

2. G.O.No.Fl.1979/S & A. 90-20-1 dated 11th September 1920 directing that applications for commutation of pensions be not entertained until further orders.

3. G.O.No.Fl.5376/S & A 89-23-3 dated 27th March 1924, approving of the new table of commutation prepared by Mr. George King, consulting Actuary, London, for adoption when the scheme of commutation of pensions is resumed.

O R D E R No:

Dated, Bangalore, the 192

Government are pleased to sanction the revival with effect from 1st July 1927 of the scheme of commutation of pensions subjected to the rules prescribed in Appendix 'O' of the M.S.R ~~as~~ and revised in this order ~~the following clauses.~~

(1) The privilege of commutation will be restricted for the present to those whose pensions do not exceed Rs 100/- a month.

(2) Before the commutation of a pension is sanctioned, the pensioner shall produce a certificate as to his expectation of

signed by ~~a Medical officer of not lower standing than a District Medical Officer~~ the Medical Officer in charge of the District in which the pensioner/applicant resides. Medical examination will be conducted as in the case of the State Life Insurance and the certifying medical officers should send their reports in the detailed form prescribed for proposals in the State Life Insurance (mutatis mutandis)

(3) ~~Before the applications for commutation are sanctioned~~, the Senior Surgeon's ~~opinion~~ will ~~invariably~~ be obtained ~~in every case~~.

(4) In the case of invalid pensions, a certificate from a Medical Board will be insisted on.

(5) The lumpsum payable on commutation shall be calculated in accordance with the table of present values ~~as at present in force in British India and~~ appended to this order.

2. The following procedure will be ~~followed~~ adopted for accounting the commutation payments.

(a) Disbursements made to pensioners whose applications for commutation are sanctioned will be shown under a new Capital head '41' Payment of commuted value of pensions ' outside the Revenue account.

(b) The amount ~~debited~~ charged to the Capital head will be repaid from Revenue by a system of equated payments spread over 15 years which will include interest on ~~the~~ capital ~~invested~~. The rate of interest to be charged for calculation of ~~the~~ equated payments will be 5% per annum until further orders.

(c) The total equated payment in respect of each year's commutation will be debited to the Revenue head " 15. Pension" by credit to (a) the capital head " 41. Payment of commuted value of pensions" for the capital portion of the payments and (b) to the Service head " 9.Interest" as a reduction of charge for the interest portion of the payments.

3. A sum of Rs one lakh will be provided in the capital Budget for 1927-28 for payment of commutation of pensions.

4. ~~An addenda and corrigenda slip to the~~ The necessary amendments to the M.S.R. according to the modification in the Pension commutation rules sanctioned ~~above~~ will issue separately.

2.6.27

Finl. Secretary to Govt.

To

The Comptroller to Govt.
" Heads of Departments.
" Deputy Commissioners of Districts.
" Compiler, Mysore Gazette, for publication in Part I of the Gazette

Press Table.

6.6.27

S. O. G.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Commutation of pensions sanctioning the revival of the scheme of the same with effect from 1st July 1927.

READ:—

Government Order No. Fl. 3463-572—S. and A. 100-19-2, dated 4th December 1919, authorising the commutation of pensions according to rules prescribed in the annexure to that order.

2. Government Order No. Fl. 1978—S. and A. 90-20-1, dated 11th September 1920, directing that applications for commutation of pensions be not entertained until further orders.

3. Government Order No. 5376—S. and A 89-23-3, dated 27th March 1924, approving of the new table of commutation prepared by Mr. George King, Consulting Actuary, London, for adoption when the scheme of commutation of pensions is resumed.

ORDER NO. C. FL. DATED, CAMP MYSORE, JUNE 1927.

Government are pleased to sanction the revival with effect from 1st July 1927 of the scheme of commutation of pensions, subject to the rules prescribed in Appendix 'O' of the Mysore Service Regulations, as revised in this order.

(1) The privilege of commutation will be restricted *for the present* to those whose pensions do not exceed Rs. 100 a month.

(2) Before the commutation of a pension is sanctioned, the pensioner shall produce a certificate as to his expectation of life signed by the Officer in Medical charge of the ~~Department~~ District in which he is drawing his pension. A lady applicant should produce a certificate signed by the Lady Surgeon or ~~the~~ Assistant Surgeon attached to any Government Medical Institute in the State. Medical examinations will be conducted as in the case of the State Life Insurance and the certifying medical officers should send their reports in the detailed form prescribed for proposals in the State Life Insurance (*mutatis mutandis*).

(3) The opinion of the Senior Surgeon will be obtained on each medical certificate.

(4) In the case of a person drawing an invalid pension, a certificate from a Medical Board will be insisted on.

(5) The lumpsum payable on commutation shall be calculated in accordance with the table of present values appended to this order.

2. The following procedure will be adopted for accounting for the commutation-payments.

(*a*) Disbursements made to pensioners, whose applications for commutation are sanctioned will be shown under a new Capital head '41. Payment of commuted value of pensions' outside the Revenue account.

(*b*) The amount charged to the Capital head will be repaid from Revenue by a system of equated payments spread over 15 years which will include interest on capital. The rate of interest to be charged for calculation of equated payments will be 5 per cent per annum until further orders.

(*c*) The total equated payment in respect of each year's commutation will be debited to the Revenue head '15. Pension' by credit to (*a*) the Capital head '41. Payment of commuted value of pensions' for the capital portion of the payments and (*b*) to the Service head '9. Interest' as a reduction-of-charge for the interest portion of the payments.

3. A sum of Rs. one lakh will be provided in the Capital Budget for 1927-28 for payment of commutation of pensions.

4. The necessary amendments to the Mysore Service Regulations will issue separately.

B. SRINIVASA IYENGAR,
Financial Secretary to Government.

To—
The Comptroller to Government.
The other Heads of Departments.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette*, for publication in Part I of the Gazette.

PRESS TABLE.

S. O. G.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Commutation of Pensions

Sanctions the revival of the scheme with effect from 1st July 1927.

READ:—

Government Order No. Fl. 3463-572—S. and A. 100-19-2, dated 4th December 1919, authorising the commutation of pensions according to rules prescribed in the annexure to that order.

2. Government Order No. Fl. 1978—S. and A. 90-20-1, dated 11th September 1920, directing that applications for commutation of pensions be not entertained until further orders.

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(1) The privilege of commutation will be restricted *for the present* to those whose pensions do not exceed Rs. 100 a month.

(2) Before the commutation of a pension is sanctioned, the pensioner shall produce a certificate as to his expectation of life signed by the Officer in Medical charge of the ~~Department~~ District in which he is drawing his pension. A lady applicant should produce a certificate signed by the Lady Surgeon or ~~the~~ Assistant Surgeon attached to any Government Medical Institute in the State. Medical examination will be conducted as in the case of the State Life Insurance and the certifying medical officers should send their reports in the detailed form prescribed for proposals in the State Life Insurance (*mutatis mutandis*).

(3) The opinion of the Senior Surgeon will be obtained on each medical certificate.

(4) In the case of a person drawing an invalid pension, a certificate from a Medical Board will be insisted on.

(5) The lumpsum payable on commutation shall be calculated in accordance with the table of present values appended to this order.

2. The following procedure will be adopted for accounting for the commutation-payments.

(*a*) Disbursements made to pensioners whose applications for commutation are sanctioned will be shown under a new Capital head "41. Payment of commuted value of pensions" outside the Revenue account.

(*b*) The amount charged to the Capital head will be repaid from Revenue by a system of equated payments spread over 15 years which will include interest on capital. The rate of interest to be charged for calculation of equated payments will be 5 per cent per annum until further orders.

(*c*) The total equated payment in respect of each year's commutation will be debited to the Revenue head "15. Pension" by credit to (*a*) the Capital head "41. Payment of commuted value of pensions" for the capital portion of the payments and (*b*) to the Service head "9. Interest" as a reduction of charge for the interest portion of the payments.

3. A sum of Rs. one lakh will be provided in the Capital Budget for 1927-28 for payment of commutation of pensions.

4. The necessary amendments to the Mysore Service Regulations will issue separately.

B. SRINIVASA IYENGAR,
Financial Secretary to Government.

To—

The Comptroller to Government.
The other Heads of Departments.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette*, for publication in Part I of the Gazette.

PRESS TABLE.

Note to Bus
Please send two clean copies of the proof before 4 P.M today.

Pens for appl
24.6.27

2 ?

APPENDIX

Table of Present Values for Commutation of Pensions.

Age next birthday	Commutation values expressed as number of years' purchase	Age next birthday	Commutation values expressed as number of years' purchase
25	16·540	53	10·979
26	16·419	54	10·685
27	16·294	55	10·386
28	16·165	56	10·083
29	16·031	57	9·778
30	15·892	58	9·469
31	15·748	59	9·159
32	15·599	60	8·849
33	15·445	61	8·539
34	15·286	62	8·231
35	15·120	63	7·924
36	14·949	64	7·619
37	14·772	65	7·317
38	14·589	66	7·018
39	14·399	67	6·723
40	14·203	68	6·430
41	13·999	69	6·143
42	13·788	70	5·860
43	13·570	71	5·583
44	13·343	72	5·313
45	13·109	73	5·049
46	12·867	74	4·791
47	12·618	75	4·542
48	12·362	76	4·301
49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

S.O.G.

Government of His Highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 71-120—S. & A. 1-27-1, dated 4th July 1927.

Commutation of Pensions.

Sanctions the revival of the scheme of —— with effect from 1st July 1927.

READ—

Government Order No. Fl. 3463-572—S. & A. 100-19-2, dated 4th December 1919, authorising the commutation of pensions according to rules prescribed in the annexure to that order.

2. Government Order No. Fl. 1979—S. & A. 90-20-1, dated 11th September 1920, directing that applications for commutation of pensions be not entertained until further orders.

3. Government Order No. 5376—S. & A. 89-23-3, dated 27th March 1924, approving of the new table of commutation prepared by Mr. George King, Consulting Actuary, London, for adoption when the scheme of commutation of pensions is resumed.

ORDER NO. FL. 71-120—S. & A. 1-27-1, DATED 4TH JULY 1927.

Government are pleased to sanction the revival, with effect from 1st July 1927, of the scheme of commutation of pensions, subject to the rules prescribed in Appendix 'O' of the Mysore Service Regulations, as revised in this order.

(1) The privilege of commutation will be restricted *for the present* to those whose pensions do not exceed Rs. 100 a month.

(2) Before the commutation of a pension is sanctioned, the pensioner shall produce a certificate as to his expectation of life signed by the Officer in Medical charge of the District in which he is drawing his pension. A lady applicant should produce a certificate signed by the Lady Surgeon or Assistant Surgeon attached to any Government Medical Institution in the State. Medical examination will be conducted as in the case of the State Life Insurance and the certifying medical officers should send their reports in the detailed form prescribed for proposals in the State Life Insurance *(mutatis mutandis)*.

(3) The opinion of the Senior Surgeon will be obtained on each medical certificate.

(4) In the case of a person drawing an invalid pension, a certificate from a Medical Board will be insisted on.

(5) The lumpsum payable on commutation shall be calculated in accordance with the table of present values appended to this order.

2. The following procedure will be adopted for accounting for the commutation-payments :—

(*a*) Disbursements made to pensioners whose applications for commutation are sanctioned will be shown under a new Capital head 41. *Payment of commuted value of Pensions*, outside the Revenue account.

(*b*) The amount charged to the Capital head will be repaid from Revenue by a system of equated payments spread over 15 years which will include interest on capital. The rate of interest to be charged for calculation of equated payments will be 5 per cent per annum until further orders.

(*c*) The total equated payment in respect of each year's commutation will be debited to the head 15 *Pensions and Allowances* by credit (*a*) the Capital head 41. *Payment of commuted value of Pensions* for the capital portion of the payments and (*b*) to the head 9. *Interest* as a reduction of charge for the interest portion of the payments.

3. A sum of Rupees one lakh is provided in the Capital Budget for 1927-28 for payment of commutation of pensions.

4. The necessary amendments to the Mysore Service Regulations will issue separately.

B. SRINIVASA IYENGAR,
Financial Secretary to Government.

To—The Comptroller to Government.
The other Heads of Departments.
The Deputy Commissioners of Districts.
The Compiler, *Mysore Gazette*
PRESS TABLE.

Exd.—P. S. R. N.

ANNEXURE TO G. O. No. FL. 71-120—S. & A. 1-27-1, DATED 4TH JULY 1927.

Table of Present Values of Commutation of Pensions.

Age next birthday	Commutation values expressed as number of years' purchase	Age next birthday	Commutation values expressed as number of years' purchase
25	16·540	53	10·979
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29	16·031	57	9·778
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33	15·445	61	8·539
34	15·286	62	8·231
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49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

WD 12—GPB—2,205—6-7-27

SA 1.27.2

Article 513 A

Substitute the following for the existing appendix:-

H 335-95 dated 12.7.27

Rules for the Commutation of Pensions as revised by G.O.No.Fl.71-120/S.& A.1-27-1 dated 4th July 1927.

---:0:---

1. Subject to the conditions stated in these rules, Government may sanction the commutation for a lumpsum payment of a portion not exceeding one-fourth of a pension which has been or is about to be granted to any person.

2. The privilege of commutation will not be permitted in the case of pensions not exceeding Rs.10/- per mensem. It is also restricted for the present to those whose pensions do not exceed Rs.100/- a month.

2. The commuted amount is payable at the Treasury at which the pension is being or is to be drawn.

3. Sanctions to commutation of pensions are subject to the rule that the expenditure can be met from sanctioned budget grants.

4. The payment of capitalized sum must be taken from a Treasury in the State.

5. Application for commutation shall be made in Form "A" appended to these rules and shall be addressed to the Financial Secretary to Government. 6. The applicant for commutation should satisfy Government:-

i. That the commutation will be to the ~~d~~ ~~e~~ ~~t~~-

distinct and permanent advantage of himself or his family.

ii. That the residue of pension which will be left after commutation will be sufficient to maintain him in accordance with his station in life in retirement, due regard being had to the manner of application of the amount - realized on commutation.

~~iii~~ Government may also, at its discretion, require guarantees and impose such terms and - safeguards as it may deem fit to ensure the - prudent application of the amount payable in commutation, if sanctioned.

~~6.~~ 7. If, on consideration of the facts stated in the application, Government decides to allow commutation, the pensioner shall produce a - certificate as to his expectation of life - signed by the Officer in Medical charge of the District in which he is drawing his pension. A lady applicant should produce a certificate signed by the Lady Surgeon or the Assistant Surgeon attached to any Government Medical - Institute in the State. Medical examination will be conducted as in the case of proposals for the State Life Insurance ~~and the certifying Medical officers should send their reports in form B herein prescribed~~ . Government may further, at its discretion, require a second medical opinion or direct the applicant to appear before a Medical Board.

~~7.~~ 8. The opinion of the Senior Surgeon will be obtained on each medical certificate. The - examining medical officer will send his report in a sealed cover to the Senior Surgeon ~~who~~ in Form B herein prescribed

who will transmit it with his own opinion thereon to the Comptroller for being ~~dealt~~ dealt with under rule ~~10~~. 11.

9 ~~8~~. In the case of a person drawing an ~~invalid~~ invalid pension, a certificate from a Medical Board will be insisted on. The grounds of invaliding or the statement of the pensioner's medical case should be communicated to the certifying medical authority, who will also be furnished by the applicant with the medical certificate attached as the pension papers.

10 ~~9~~. The applicant should himself pay the Medical officer's fee for examination, except when a second medical opinion is required or the applicant is directed to appear before a Medical Board, in which cases the examination will be made free of charge by medical officers under the orders of Government.

~~10~~. The lumpsum payable on commutation will be the amount certified by the Comptroller to be admissible according to the table of present values ~~in Appendix B~~ given in the ~~appended to this~~ appendix to these rules. The commutation allowable will be sanctioned by Government on receipt of the Comptroller's certificate. For the purpose of this rule the age of the pensioner shall be assumed to be such age, not being less than his actual age as the certifying medical authority or the Senior Surgeon may ~~direct~~ advise.

12. Commutation, when sanctioned, shall take effect from a date, to be named in the order, which should ordinarily be ~~admissible according~~ about one month later

later than the date of the order, and all calculations shall be made with reference to that date. Payment of the commuted portion of pension will cease from the date specified and the sum payable on commutation will be paid on that date or as soon afterwards as possible.

13. ~~12~~. A commutation once applied for, sanctioned and given effect to, cannot be rescinded, i.e., the portion of a pension commuted cannot be restored on refund of its capatilized value.

14 ~~13~~. If a pensioner, whose pension has been commuted, dies before receiving the commutation value, this value is payable to his heirs.

15 ~~14~~. In the case of a pensioner who is re-employed in Government service or in the service of a Local Fund and who commutes a portion of his pension before or after such re-employment, his pension for purposes of the rules in Chapter XX, Mysore Service Regulations, shall be taken at the full amount which he might have drawn if he had not commuted a portion of it.

4
57.22

Financial Secy to Gov

By

To.

The Comptroller to Govt.
" Heads of Depts
" Secretaries to Govt.
" Dy. Comm^rs of Dts.
" Compiler, Mysore Gazette
for publication in Part I of
the Gazette + Supply of 250 copies to this Secr

FORM "A" 8 8 -

of Pension under the terms of Government order No 2671-126/31

I..... ire to commute

my..... pension of Rs..... as..... ps., ... a month. After careful consideration I am convinced that it will be to the distinct and permanent advantage of myself and my family to apply, as I am resolved to do, the commuted value in the manner detailed in the separate assigned statement* I have attached hereto. I also certify that I have correctly answered each and all of the questions below —

Place.....
Date.....

Signature.....
Designation.....
Address.....

* *N. B.*—1. In the absence of a definite purpose no portion of the pension can be commuted.
2. The grounds for believing that distinct and permanent advantage will be secured should be ~~stated~~ clearly noted in this statement.

Questions	Answers
1. What is the date of your birth ?	
2. How much of your pension do you wish to commute ?	
3. Have you any debts or liabilities ? Give particulars.	
4. Have you a wife ? Name the members of your family dependent on you with their respective ages.	
5. What was your monthly income from all sources during the past year ? Give particulrrs.	
6. Do you suffer from any complaint likely to shorten life ? If so, state its nature.	

Place.....
Date.....

Signature.....

Declaration to be signed by the Proposer in the presence of the Medical Officer.

I do hereby declare that the foregoing statements, and those made by me to the Medical Officer now (* and on the occasion of my previous Insurance) are true to the best of my knowledge and belief, and that I have not withheld or concealed any circumstance with regard to which information has been required from me. I agree that these statements shall be the basis of the proposed contract for this Insurance on my Life, and that if it shall hereafter appear that I have wilfully made any untrue statement, or have fraudulently concealed any material information or circumstance which I ought to have made known, then all the premiums which shall have been paid under the said contract shall be forfeited and the contract rendered absolutely null and void.

*The portion in brackets in the above declaration should be scored out in the case of a proposal for first Insurance.

Dated ..... *day of* ..... 192 . *Signature of the Proposer.*

Form B.

Statement and Opinion by Medical Officer.

~~*When only an Ordinary Medical Certificate has to be furnished, only the questions 6 and 11 on Page 4 need be answered.*~~

Questions to be answered by the ~~Proposer~~ applicant before the Medical Officer.

(The substance of the answers should be recorded by the Medical Officer.)

1. What is your age and caste ? ....

2. If parents are living, state present age and state of health of—

Father ....

Mother ....

If dead, state age at and cause of death of—

Father ....

Mother ....

3. What are the respective ages and state of health, of your brothers and sisters now living ? Give the age at and cause of death of any who have died.

4. Have you ever suffered from—

(*a*) Malarial fever ?

(*b*) Other fevers ?

How often have you suffered and when last ?

5. Have you ever suffered from rheumatism.

6. Have you ever met with any serious injury ? If so, state its nature and when it occurred ?

7. Was your life ever before proposed to be insured with the State Life Insurance Committee, or with any private Insurance Company, and if so, with what result in each case ?

M. S. L. I.
G. 1

MYSORE STATE LIFE INSURANCE.

(Official Branch.)

Form of Proposal to be filled up by person who proposes to Insure $\frac{\text{his}}{\text{her}}$ life for first or further Insurance.

No

(1) (*a*) Proposer's Name in full.....

(*b*) Father's Name in full.....

(*c*) Address in full.....

(*a*) Race, caste or religion	Place of birth: Village	Taluk	Date of birth: Day..... Month..... Year.....	Present age

(2) (*b*) Date of birth entered in the Service Register.....

(*c*) Evidence of Date of Birth furnished — (*a*) Baptismal certificate or (*b*) Original horoscope or document made about the time of birth or (*c*) Copy of (*b*) attested by a magistrate under his seal or (*d*) Statements of two referees in prescribed form.

(*d*) Particulars of first pensionable appointment:—
Name of appointment.....Date.....Pay.....

(3) Particulars of present substantive appointment:—
(*a*) Date.....Name of appointment.....
(*b*) Number of Policy or Policies already taken out.....
(*c*) Date of last detailed medical examination.....
Explanation for delay in sending proposal after three months from dates entered at 2*d* & 3*a* above:—

(4)

(*a*) Amount of premium for which compulsory Insurance is proposed	Rs.....a.....	(*c*) Amount of optional premium for which Insurance is now proposed, if any	Rs.....a..
(*b*) Amount of premium for which compulsory Insurance has already been effected.	Rs.....a.....	(*d*) Amount of optional premium for which Insurance has already been effected	Rs.....a

(5) Leave taken since entry into service.

Kind of leave	On account of ill-health: Year	Month	Days	Not on account of ill-health: Year	Month	Days
On Medical certificate ...						
Privilege leave ...						
Leave on private affairs ...						
Furlough ...						
Leave without allowance ...						

Signature of Proposer.....

Designation.....

.....

I certify that I have verified the entries under Nos. 2, 3, 5, and found them to be correct. The evidence of age furnished by proposer is hereto attached. The proposer has affixed $\frac{\text{his}}{\text{her}}$ signature in my presence. My confidential report in Form No. 2, enclosed in a sealed cover is also attached.

No..... ...

The proposal is forwarded to the District Medical and Sanitary Officer.....
.....The proposer has been directed to appear before him. He may be examined and the proposal transmitted direct to the Secretary, Insurance Committee, with the District Medical officer's remarks.

Station.....

Date.....

Signature of Proposer's official Superior.....

Designation.....

.....

Note.—When this form is used for Further Insurance, particulars required under No. 2, need not be stated.

(3) 2

Applicant—

Questions to be answered by Medical Officer examining the ~~Proposer~~.

1. What is the ~~Proposer's~~ applicants general configuration and physical development ?	
Height	ft. in
Weight	st. lbs.
Circumference of chest	Inches.
2. Is his (or her) appearance that of a person of the age stated ? If not, state his (or her) age by appearance.	
Respiration.	
3. Have you examined the lungs with the stethoscope and by percussion ?	
Are they free from abnormal sounds ?	
Has he ever suffered from spitting of blood, pneumonia or asthma or chronic cough ?	
What is the frequency of the respiration ?	
Circulation.	
4. Have you examined the heart with the stethoscope ?	
(*a*) Is there any abnormal sound ?	
(*b*) What is the number and character of the pulse and is it equal on both sides ?	
Digestion.	
5. (*a*) Are the spleen and liver natural in size ?	
(*b*) Has he ever suffered from dropsy, fistula, hæmorrhoids or hernia ?	
(*c*) Has he had dysentry or diarrhœa ? If so, for what period, and when ?	

Urinary Organs.

6. (*a*) Was the urine passed in your presence?

(*b*) Have you examined it?

(*c*) If so, (1) What is the specific gravity?

(2) Is there any albumen?

(3) Is there any sugar?

(4) Is it healthy?

7. State any evidence that may be forthcoming that the nervous system is or has ever been diseased.

8. Has he had small-pox, or has he been successfully vaccinated?

9. Have you observed generally his appearance with reference to his habits?

Has he the appearance of a person whose habits and mode of living have been uniformly temperate?

10. What other defects in his health or constitution do you notice besides those elicited by the above examination.

11. State your opinion of the Proposer's duration of life with reference to—

(1) His present health.....

(2) The state of his different organs.

(3) His constitution.....

(4) The eligibility of the life (keeping in view both the personal condition and habits and the family history).

---

12 Certificate of result of Examination.

"I/We have carefully examined [redacted]. and am/are of opinion that ~~he~~ She is/is not in good bodily health and ~~has~~/has not the prospect of an average duration of life."

In the case of impaired lives, the following shall be added:-

"As [redacted] is suffering from.....his age, for the purpose of commutation should be taken to be.....years."

Date.....

Remarks station.

Signature of Medical Officer.

Forwarded by Comptroller.....

Rail station.

Senior Surgeon

Rept for appl
24.6.27

/84/ ~~APPENDIX~~ to Govt. order No. 2671-120-SH.1-27-1 dt. 4-8-1927

Table of Present Values for Commutation of Pensions.

Age next brithday	Commutation values expressed as number of years' purchase	Age next birthday	Commutation values expressed as number of years' purchase
25	16·540	53	10·979
26	16·419	54	10·685
	16·294	55	10·386
	16·165	56	10·083
	16·031	57	9·778
	15·892	58	9·469
31	15·748	59	9·159
32	15·599	60	8·849
33	15·445	61	8·539
34	15·286	62	8·231
35	15·120	63	7·924
36	14·949	64	7·619
37	14·772	65	7·317
38	14·589	66	7·018
39	14·399	67	6·723
40	14·203	68	6·430
41	13·999	69	6·143
42	13·788	70	5·860
43	13·570	71	5·583
44	13·343	72	5·313
45	13·109	73	5·049
46	12·867	74	4·791
47	12·618	75	4·542
48	12·362	76	4·301
49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

ADDENDA AND CORRIGENDA TO THE MYSORE SERVICE REGULATIONS.

V. EDITION.

Fl. 335-95 S. & A. 1-27-2, dated 12th July 1927.

Page 244 *Appendix O.*

ARTICLE 513 A.

Substitute the following for the existing appendix:—

Rules for the Commutation of Pensions as revised by Government Order No. Fl. 71-120—S. & A. 1-27-1, dated 4th July 1927.

---

1. Subject to the conditions stated in those rules, Government may sanction the commutation for a lumpsum payment of a portion not exceeding one-fourth of a pension which has been or is about to be granted to any person.

2. The privilege of commutation will not be permitted in the case of pensions not exceeding Rs. 10 per mensem. It is also restricted *for the present* to those whose pensions do not exceed Rs. 100 a month.

3. Sanctions to commutation of pensions are subject to the rule that the expenditure can be met from sanctioned budget grants.

4. The payment of capitalized sum must be taken from a Treasury in the State. The commuted amount is payable at the Treasury at which the pension is being or is to be drawn.

5. Application for commutation shall be made in Form "A" appended to these rules and shall be addressed to the Financial Secretary to Government.

6. The applicant for commutation should satisfy Government:—

(i) That the commutation will be to the distinct and permanent advantage of himself or his family.

(ii) That the residue of pension which will be left after commutation will be sufficient to maintain him in accordance with his station in life in retirement, due regard being had to the manner of application of the amount realized on commutation.

Government may also, at its discretion, require guarantees and impose such terms and safeguards as it may deem fit to ensure the prudent application of the amount payable in commutation, if sanctioned.

7. If on consideration of the facts stated in the application Government decides to allow commutation, the pensioner shall produce a certificate as to his expectation of life signed by the Officer in Medical charge of the District in which he is drawing his pension. A lady applicant should produce a certificate signed by the Lady Surgeon or the Assistant Surgeon attached to any Government Medical Institution in the State. Medical examination will be conducted as in the case of proposals for the State Life Insurance. Government may further, at its discretion, require a second medical opinion or direct the applicant to appear before a Medical Board.

8. The opinion of the Senior Surgeon will be obtained on each medical certificate. The examining medical officer will send his report in Form B herein prescribed in a sealed cover to the Senior Surgeon who will transmit it with his own opinion thereon to the Comptroller for being dealt with under rule 11.

9. In the case of a person drawing an invalid pension, a certificate from a Medical Board will be insisted on. The grounds of invaliding or the statement of the pensioner's medical case should be communicated by the applicant to the certifying medical authority, who will also be furnished by the Comptroller with the medical certificate produced with the connected pension papers.

10. The applicant should himself pay the Medical Officer's fee for examination except when a second medical opinion is required or the applicant is directed to appear before a Medical Board, in which case the examination will be made free of charge by medical officers under the orders of Government.

11. The lumpsum payable on commutation will be the amount certified by the Comptroller to be admissible according to the table of present values given in the be appendix to these rules. The commutation allowable will sanctioned by Government on receipt of the Comptroller's certificate. For the purpose of this rule the age of the pensioner shall be assumed to be such age, not being less than his actual age, as the certifying medical authority or the Senior Surgeon may advise.

12. Commutation, when sanctioned, shall take effect from a date, to be named in the order which should ordinarily be about one month later than the date of the order, and all calculations shall be made with reference to that date. Payment of the commuted portion of pension will cease from the date specified and the sum payable on commutation will be paid on that date or as soon afterwards as possible.

13. A commutation once applied for, sanctioned and given effect to, cannot be rescinded, *i.e.*, the portion of a pension commuted cannot be restored on refund of its capitalized value.

14. If a pensioner, whose pension has been commuted, dies before receiving the commutation value, this value is payable to his heirs.

15. In the case of a pensioner who is re-employed in Government service or in the service of a Local Fund and who commutes a portion of his pension before or after such re-employment, his pension for purposes of the rules in Chapter XX, Mysore Service Regulations, shall be taken at the full amount which he might have drawn if he had not commuted a portion of it.

B. SREENIVASA IYENGAR,

Financial Secretary to Government.

APPENDIX.

Table of Present Values of Commutation of Pensions.

(Vide Rule 11.)

Age next birthday	Commutation Values expressed as number of years' purchase	Age next birthday	Commutation values expressed as number of years' purchase
25	16·540	53	10·979
26	16·419	54	10·685
27	16·294	55	10·386
28	16·165	56	10·083
29	16·031	57	9·778
30	15·892	58	9·469
31	15·748	59	9·159
32	15·599	60	8·849
33	15·445	61	8·539
34	15·286	62	8·231
35	15·120	63	7·924
36	14·949	64	7·619
37	14·772	65	7·317
38	14·589	66	7·018
39	14·399	67	6·723
40	14·203	68	6·430
41	13·999	69	6·143
42	13·788	70	5·860
43	13·570	71	5·583
44	13·343	72	5·313
45	13·109	73	5·049
46	12·867	74	4·791
47	12·618	75	4·542
48	12·362	76	4·301
49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

FORM A.

Application for commutation of pension under terms of Government Order No. Fl. 71—120—S. & A. 1-27-1 dated 4th July 1927.

I.....disire to commute a portion of my.....pension of Rs.....as.....ps.... a month. After careful consideration, I am convinced that it will be to the distinct and permanent advantage of myself and my family to apply, (as I am resolved to do), the commuted value in the manner detailed in the separate assigned statement I have attached* hereto. I also certify that I have correctly answered each and all of the questions below.—

Place..... Signature.....

Designation.....

Date..... Address.....

N.B.—In the absence of a definite purpose no portion of the pension can be commuted.

*The grounds for believing that distinct and permanent advantage will be secured should be clearly noted in this statement.

Questions	Answers
1. What is the date of your birth?	
2. How much of your pension do you wish to commute?	
3. Have you any debts or liabilities? Give particulars.	
4. Have you a wife? Name the members of your family dependent on you with their respective ages.	
5. What was your monthly income from all sources during the past year? Give particulars.	
6. Do you suffer from any complaint likely to shorten life? If, so, state its nature.	

Place.....

Date..... Signature.....

FORM B.

Statement and Opinion by Medical Officer.

Part I.—Questions to be answered by the applicant before the Medical Officer.

(The substance of the answers should be recorded by the Medical Officer.)

1. What is your age and caste?	
2. If parents are living, state resent age and state of health of—	
Father	
Mother	
If dead, state age at and cause f death of—	
Father	
Mother	
3. What are the respective ges and state of health, of your rothers and sisters now living? ive the age at and cause of death f any who have died.	
4. Have you ever suffered rom—	
(*a*) Malarial fever?	
(*b*) Other fevers?	
How often have you suffered nd when last?	
5. Have you ever suffered from heumatism.	
6. Have you ever met with ny serious injury? If so, state its ature and when it occurred?	

Part II—Questions to be answered by Medical Officer examining the Applicant.

1. What is the Applicant's general configuration and physical development?	
Height	ft. in
Weight	st. lbs.
Circumference of chest ...	Inches.
2. Is his (or her) appearance that of the persons of the age stated? If not, state his (or her) age by appearance.	
Respiration.	
3. Have you examined the lungs with the stethoscope and by percussion?	
Are they free from abnormal sounds?	
Has he ever suffered from spitting of blood, pneumonia or asthama or chronic cough?	
What is the frequency of the respiration?	
Circulation.	
4. Have you examined the heart with the stethoscope?	
(*a*) Is there any abnormal sound?	
(b) What is the number and character of the pulse and is it equal on both sides?	
Digestion.	
(*a*) Are the spleen and liver natural in size?	
(b) Has he ever suffered from dropsy, fistula, hæmorrhoids or hernia?	
(*c*) Has he had dysentry or diarrhœa, if so, for what period, and when?	

Urinary Organs.	
6. (*a*) Was the urine passed in your presence?	
(*b*) Have you examined it?	
(*c*) If so, (1) What is the specific gravity?	
(2) Is there any albumen?	
(3) Is there any sugar?	
(4) Is it healthy?	
7. State any evidence that may be forthcoming that the nervous system is or has ever been diseased.	
8. Has he had small-pox, or has he been successfully vaccinated?	
9. Have you observed generally his appearance with reference to his habits?	
Has he the appearance of a person whose habits and mode of of living have been uniformly temporate?	
10. What other defects in his health or constitution do you notice besides those elicited by the above examination.	
11. State your opinion of the applicant's duration of life with reference to—	
(1) His/Her present health.....	
(2) The state of his/her different organs.	
(3) His/Her constitution.....	
(4) The eligibility of the life (keeping in view both the personal condition and habits and the family history).	

CERTIFICATE OF RESULT OF EXAMINATION.

"I/We have carefully examined.....and am/are of opinion that he/she is/is not in good bodily health and has/has not the prospect of an average duration of life."

In the case of impaired lives, the following shall be added :—

"As.....is suffering from.....his age for the purpose of commutation should be taken to be.....years."

Station.....

Signature of Medical Officer.

Date... .....

Countersigned and forwarded to Comptroller with the oipnion that.....

Date.....

Senior Surgeon.

Station.....

No. F 58-C. S. R.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 19th March 1927.

FROM

J. D. PENNY, ESQ., I.C.S.,

Deputy Secretary to the Government of India.

To

ALL PROVINCIAL GOVERNMENTS AND
MINOR LOCAL GOVERNMENTS.

SUBJECT :—*Table of present values for commutation of pensions.*

SIR,

IN modification of the instructions contained in paragraph 2 of Mr Douglas' letter No. F./158-C. S. R. 25, dated the 27th January 1926, I am directed to say that, in view of the recent fall in the rate of interest on the Government of India's rupee borrowing, the Governor General in Council has decided that, with effect from the 1st April 1927, the accompanying table of present values, which is based on a rate of interest of 4¾ *per cent.* per annum and suitable rates of mortality, should be used in calculating the commutation value of pensions.

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) J. D. PENNY,

Deputy Secretary to the Government of India.

No. F. 158-C. S. R.

A copy is forwarded to the High Commissioner for India; the several Departments of the Government of India; the Financial Commissioner, Railways; the Financial Advisers, Military Finance and Posts and Telegraphs; the Military and Private Secretaries to His Excellency the Viceroy; the Auditor General; the Central Board of Revenue; the Controller and the Deputy Controllers of the Currency and the Mint and Assay Masters.

A copy is also forwarded to all Accountants General (including Comptroller, Assam); the Director of Audit, United Provinces; the Chief Accounting Officer, United Provinces; to all Railway Audit Officers under the control of the Accountant General, Railways; the Chief Accounts Officer, East Indian Railway, Calcutta, and the Deputy Chief Accounts Officer, East Indian Railway, Coaching, Lucknow; the Directors of Army and Commercial Audit; the Examiners of Press and Customs Accounts, all other Audit Officers and all Pay and Accounts Officers.

By order, etc.,

(Sd.) C. N. CHAKRABURTY,

Offg. Assistant Secretary to the Government of India.

Age next birthday.	Commutation values expressed as number of years' purchase.	Age next birthday.	Commutation values expressed as number of years' purchase.
25	16·540	53	10·979
26	16·419	54	10·685
27	16·294	55	10·386
28	16·165	56	10·083
29	16·031	57	9·778
30	15·892	58	9·469
31	15·748	59	9·159
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33	15·445	61	8·539
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37	14·772	65	7·317
38	14·589	66	7 018
39	14·399	67	6·723
40	14·203	68	6·430
41	13·999	69	6·143
42	13·788	70	5·860
43	13·570	71	5·583
44	13·343	72	5·313
45	13·109	73	5·049
46	12·867	74	4·791
47	12·618	75	4·542
48	12·362	76	4·301
49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

GIPD—1186 Fin. D—23-3-27—3,200.

No.314.

Appendix 10 Page 27.

In line 2 of the heading of the new table, inserted by Correction Slip 293, dated the 14th June 1921, after the word "Articles" insert "530"

[5th edition 2nd Reprint No.314 of 6-12-21]

No. F.-158-C. S. R.—25.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

FROM

R. DOUGLAS, ESQ., I.C.S.,

Deputy Secretary to the Government of India,

To

ALL PROVINCIAL AND MINOR LOCAL GOVERNMENTS.

Delhi, the 27th January 1926.

SIR,

I AM directed to refer to this Department Notification, No. F.-158-C. S. R.—25, dated the 21st January 1926, containing the Civil Pensions (Commutation) Rules framed by the Secretary of State in Council under Section 96B of the Government of India Act. These Rules are intended to apply to all pensioners irrespective of the date of their retirement. The Secretary of State has given effect to them from the 1st April 1925 as commutation up to one-half of pension had been permitted in the United Kingdom in certain cases earlier in the year in anticipation of the actual making of the Rules.

2. In accordance with Rule 7 of the Rules, the Governor General in Council is pleased to prescribe the table contained in Appendix 10 to the Civil Service Regulations in the case of pensioners whose applications are addressed to Local Governments or to the Government of India.

3. In so far as Government servants under his administrative control are concerned, the Governor General in Council has—

(1) delegated his powers to the High Commissioner under Rule 2 subject to the condition mentioned in (2) below,

(2) decided to impose under Rule 4 the condition that the residue of pension after commutation should be not less than Rs. 20 a month in any individual case,

(3) prescribed, with reference to Rule 6, the following rules regarding medical certificates :—

(i) Before the commutation of a pension is sanctioned, the pensioner shall produce a certificate as to his expectation of life signed by a medical officer of not lower standing than a Civil Surgeon, District Medical Officer or Presidency Surgeon. The sanctioning authority may, at its discretion, require the production of a second medical certificate or direct the pensioner to appear before a medical board. In the case of a pensioner who has been or is about to be granted an invalid pension the certificate must be that of a Medical Board,

(ii) The certifying medical authority shall subject the pensioner to a strict medical examination, requiring him to give such information as to his health and habits as is usually supplied by persons proposing to assure their lives in assurance companies, and shall report in the following terms :—

"$\frac{\text{I}}{\text{We}}$ have carefully examined A. B. and $\frac{\text{am}}{\text{are}}$ of opinion that he $\frac{\text{is}}{\text{is not}}$ in good bodily health and $\frac{\text{has}}{\text{hr s not}}$ the prospect of an average duration of life."

In the case of impaired lives, the following shall be added :—

"As A. B. is suffering from his age, for the purpose of commutation should be taken to be _____ years."

(iii) In the case of an applicant who has been or is about to be granted an invalid pension, the grounds of invaliding or the statement of the medical case shall be communicated to the certifying medical board before the certificate is signed.

I am to enclose, in this connection, a copy of a letter dated the 1st October 1925 received from the Chief Accounting Officer to the High Commissioner and of its accompaniment for necessary action.

4. I am to add that the Government of India have decided that, in accordance with their normal practice, no change should be made in the accounting procedure in the current year. The accounting procedure to be followed with effect from the year 1926-27 is as follows :—

(1) Payments made by the High Commissioner on account of commutation of pensions will be passed on to India through Remittance Account for adjustment on the books of the Central or Local Governments, as the case may be.

(2) Payments, whether in England or in India, will be brought to account in India on the books of the Central or Provincial Governments, as the case may be, under a new Capital major head "FF—Payment of commuted value of pensions" outside the Revenue account.

(3) The amount debited to the Capital major head in each year will be repaid from revenue by a system of equated payments spread over 15 years which will include interest on the capital invested. The equated payments in respect of each year will commence from the following year and the rate of interest to be adopted will be the Government of India's borrowing rate which is the rate charged on advances made to the Provincial Loans Fund.

(4) The total equated payments in respect of each year's commutation will be debited to the Revenne head "45—Superannuation etc." by credit to (*a*) the capital head "FF—Payment of commuted value of pensions" for the capital portion of the payments, and to (*b*) "19—Interest on ordinary debt" for the interest portion of the payments.

I have the honour to be,

SIR,

Your most obedient servant,

(Sd.) R. DOUGLAS,

Deputy Secretary to the Government of India.

No. F.-158-C. S. R.—25.

A copy is forwarded to the High Commissioner for India; the several Departments of the Government of India; the Financial Commissioner, Railways; the Financial Advisers, Military Finance and Posts and Telegraphs; the Military and Private Secretaries to His Excellency the Viceroy; the Auditor General; the Central Board of Revenue; the Controller and the Deputy Controllers of the Currency and the Mint and Assay Masters.

A copy is also forwarded to Accountants General (including Comptroller, Assam); Chief Auditors and Government Examiners of Railway Accounts; Directors of Army and Commercial Audit; Examiners of Press and Customs Accounts; all other Audit Officers and all Pay and Accounts Officers.

By order, etc.,

(Sd.) H. SHANKAR RAU,

Assistant Secretary to the Government of India.

LETTER FROM THE CHIEF ACCOUNTING OFFICER TO THE HIGH COMMISSIONER FOR INDIA, TO THE SECRETARY TO THE GOVERNMENT OF INDIA, FINANCE DEPARTMENT, No. H. C. P. A.-892-96, DATED THE 1ST OCTOBER 1925.

Commutation of Pensions.

I am directed to refer to India Office Financial Despatch No. 43, dated 24th September 1925, with which was enclosed a copy of a Resolution passed by the Secretary of State for India in Council on the subject of the commutation of civil pensions. A copy of the Despatch has been forwarded to this office by the India Office with a letter of which a copy is enclosed.

2. It is stated in Rule 2 that the powers conferred by the Rules shall be exercised either by the Governor General in Council or by the Local Government and may be delegated by them to the High Commissioner for India subject to any condition which they may think fit to impose.

3. As the old rules will now be superseded, it is presumed that fresh delegations are required to empower the High Commissioner to sanction commutations thereunder. I am accordingly to request that arrangements may be made for the earliest possible communication to the High Commissioner of delegations by Governments and of the new accounting and financial arrangements to be adopted, to which reference is made in paragraph 4 of the Secretary of State's despatch.

4. In the meanwhile it is presumed that Governments will concur in the High Commissioner dealing with such applications as may be received in the manner indicated in the second paragraph of the enclosure referred to above. As the publication of the rules may lead to several immediate applications perhaps general instructions as to procedure might be cabled.

India Office,
Whitehall,
London, S. W. 1.
24th September 1925.

F. 3807—25.

H.C.P.A.-892.

SIR,

I am directed by the Secretary of State in Council to enclose copy of despatch dated 24th September to the Government of India forwarding the Civil Pensions (Commutation) Rules which have been made by the Secretary of State in Council.

The High Commissioner for India, pending the receipt of communications from the Government of India or the Local Governments in regard to these Rules, will doubtless dispose of any application that he may receive from a pensioner, to whom the Appendix to the rules refers, in accordance with the provisions of the Rules, and of applications from other pensioners in accordance with the existing procedure.

I am, etc.,

W. H. TURNER,

for *Financial Secretary.*

The Chief Accounting Officer
to the High Commissioner for India.

GIPD—503 FD—27-1-26—3,150.

FINANCE DEPARTMENT.

NOTIFICATION.

Delhi, the 21st January 1926.

No. F.-158-C. S. R./25.—The following Resolution by the Secretary of State for India in Council is published for general information:—

Civil Pensions (Commutation) Rules.

In exercise of the powers conferred by subsections (2) and (3) of section 96B of the Government of India Act, the Secretary of State in Council, with the concurrence of the majority of votes at a meeting of the Council of India held on the 16th day of September 1925, hereby makes the following rules to regulate the commutation of civil pensions, namely:—

1.—(*a*) These rules may be called the Civil Pensions (Commutation) Rules.

(*b*) They shall be deemed to have come into force on 1st April 1925.

2. The powers granted by these rules shall be exercised, in relation to Government servants who are under the administrative control of a local Government, by the local Government, and in relation to other Government servants by the Governor General in Council, and may be delegated by them to the High Commissioner for India, subject to any condition which they may think fit to impose.

3. A Government servant who is a member of one of the Services or holds one of the posts included in the appendix to these rules shall be entitled, subject to the conditions hereinafter specified, to commute for a lump payment any portion, not exceeding one-half, of any pension which has been or may be granted to him under civil rules. But any such commutation shall be subject to the condition that—

(*a*) if the pension exceeds £180 when payable in London, or Rs. 2,057 when payable in India, not less than £150 (or Rs. 1,714) of its value shall remain uncommuted; and

(*b*) if the pension is less than £180 (or Rs. 2,057), not more than £30 (or Rs. 343) of its value shall be commuted, and not less than £120 (or Rs. 1,371) shall remain uncommuted:

Provided that the sanctioning authority may at its discretion relax or waive this condition in the case of a pension granted under the Premature Retirement Rules.

4. On the application of any Government servant to whom Rule 3 does not apply, the sanctioning authority may, on such conditions as it thinks fit to impose, sanction the commutation for a lump payment of a portion, not exceeding one-half, of any pension which has been or is about to be granted to him under civil rules.

5. Applications shall be addressed—

(*a*) in the case of pensioners who draw their pensions from Indian Treasuries, or who, being resident in Colonies having an account current with the Accountant-General, Central Revenues, draw their pensions from the local Treasuries, to the local Government or to the Government of India, as the case may be; and

(*b*) in the case of all other pensioners, to the High Commissioner for India, provided that in the case of pensioners residing in a Dominion or Colony, other than those referred to in clause (*a*) of this rule, the application shall be addressed to the High Commissioner through the official from whom the pension is drawn.

6. No commutation shall be sanctioned until the pensioner has produced a certificate from such medical authority as may be prescribed in this behalf by the sanctioning authority to the effect that his bodily health and prospects of duration of life are such as to justify commutation.

7. The lump sum payable on commutation shall be calculated in accordance with a table or tables of present values which shall be prescribed by the Governor General in Council in the case of pensioners whose applications are addressed to a local Government or to the Government of India, and by the Secretary of State in Council in all other cases. For the purpose of this rule, the age of the pensioner shall be assumed to be such age, not being less than his actual age, as the certifying medical authority may direct.

8. When commutation has been sanctioned the pensioner shall be informed accordingly, and shall have the option of withdrawing his application within one week after being so informed. If he does not withdraw his application within that period, the commutation of pension shall become absolute, and payment of the lump sum shall be made forthwith, payment of the commuted portion of the pension thereupon ceasing.

9. The lump sum, if calculated in accordance with the table of present values prescribed by the Governor General in Council, shall be payable in India; in all other cases it shall be payable at the Home Treasury.

10. If, when the commutation of a portion of a pension has been sanctioned, the pensioner dies on or after the date from which commutation is to take effect, but before receiving the commutation value, this value shall be paid to his heirs.

11. Rules 14 to 23 inclusive of the Premature Retirement Rules are hereby repealed.

APPENDIX.

1. All-India Services:—

(*a*) Indian Civil Service.

(*b*) Indian Police Service.

(*c*) Indian Educational Service (Men's Branch).

(*d*) Indian Agricultural Service.

(*e*) Indian Forest Service.

(*f*) Indian Forest Engineering Service.

(*g*) Indian Service of Engineers.

(*h*) Indian Veterinary Service.

2. Central Services:—

(1) Indian Audit and Accounts.
(2) Military Accounts.
(3) Mint and Assay Departments.
(4) Customs Service.
(5) Superior Telegraph Engineering and Wireless Branch.
(6) Geological Survey.
(7) Meteorological Service.
(8) Mines Department
(9) Indian Railway Service of Engineers.
(10) Archæological Department.
(11) Zoological Survey.
(12) Class I Survey of India.
(13) Political Department (other than officers of the Indian Civil Service).
(14) Indian Ecclesiastical Establishment.
(15) Miscellaneous posts:—

Registrar of Joint Stock Companies, Calcutta.

Registrar of Joint Stock Companies, Bombay.

Director-General of Commercial Intelligence.

Two Deputy Directors of Commercial Intelligence.

3. Officers who, though not members of one of the services mentioned above, hold posts borne on the cadres of any of those services.

4. Opium Department:—

(i) The Managing Director, Opium Factory, Ghazipur.
(ii) District Opium Officers.
(iii) Assistant Opium Officers.

} At present in service, and not being member of the Provincial Civil Service.

5. Commissioner, Deputy Commissioners, and General Managers of the Northern India Salt Revenue Department.

6. Income Tax Department:—

(1) Commissioners.
(2) Assistant Commissioners.

7. Postal Department:—

(1) Postmasters-General.
(2) Deputy Postmasters-General.
(3) Assistant Directors-General.
(4) Presidency Postmasters.

8. Telegraph (Traffic) Department:—

(1) Deputy Director-General.
(2) Assistant Directors-General.
(3) First Division of the Superior Telegraph Traffic Branch.

9. Chief Inspector of Explosives.

10. Specialist officers who were before 1st April 1924 admitted to the scale of pay appended to the Government of India's Public Works Department Circular No. 1, P.W., dated 29th March 1921, and granted pensionary privileges.

11. Imperial Dairy Expert.

12. Curator, Industrial Section, Indian Museum.

13. Controller of Printing, Stationery and Stamps.

14. Solicitor to the Government of India.

15. Assistant Solicitor to the Government of India.

16. First Assistant Commissioner, Port Blair, while held by Mr. W. H. Brookes.

A. C. McWATTERS.
Secy. to the Govt. of India

No. F.-158-C. S. R., 25.

A copy is forwarded to Provincial and Minor Local Governments; the High Commissioner for India; the several Departments of the Government of India; the Financial Commissioner, Railways; the Financial Advisers, Military Finance and Posts and Telegraphs; the Military and Private Secretaries to His Excellency the Viceroy; the Auditor General; the Central Board of Revenue; the Controller and the Deputy Controllers of the Currency and the Mint and Assay Masters.

A copy is also forwarded to Accountants General (including Comptroller, Assam); Chief Auditors and Government Examiners of Railway Accounts; Directors of Army and Commercial Audit; Examiners of Press and Customs Accounts; all other Audit Officers and all Pay and Accounts Officers.

By order, etc.,

H. SHANKAR RAU,
Govt. of India.

GIPD—495 FD—25-1-26—3,100

ARTICLE 513 A.

Substitute the following for the existing appendix:—

Rules for the Commutation of Pensions as revised by Government Order No. Fl. 71-120—S. & A. 1-27-1, dated 4th July 1927.

1 Subject to the conditions stated in those rules, Government may sanction the commutation for a lump sum payment of a portion not exceeding one fourth of a pension which has been or is about to be granted to any person.

2. The privilege of commutation will not be permitted in the case of pensions not exceeding Rs. 10 per mensem. It is also restricted *for the present* to those whose pensions do not exceed Rs. 100 a month.

3. Sanctions to commutation of pensions are subject to the rule that the expenditure can be met from sanctioned budget grants.

4. The payment of capitalized sum must be taken from a Treasury in the State. The commuted amount is payable at the Treasury at which the pension is being or is to be drawn.

5. Application for commutation shall be made in Form "A" appended to these rules and shall be addressed to the Financial Secretary to Government.

6. The applicant for commutation should satisfy Government

i) That the commutation will be to the distinct and permanent advantage of himself or his family.

(ii) That the residue of pension which will be left after commutation will be sufficient to maintain him in accordance with his station in life in retirement, due regard being had to the manner of application of the amount realized on commutation.

Government may also, at its discretion, require guarantees and impose such terms and safeguards as it may deem fit, to ensure the prudent application of the amount payable in commutation, if sanctioned

7. If on consideration of the facts stated in the application Government decides to allow commutation,

the pensioner shall produce a certificate as to his expectation of life signed by the officer in Medical charge of the District in which he is drawing his pension. A lady applicant should produce a certificate singed by the Lady Surgeon or the Assistant Surgeon attached to any Government Medical Institution in the State. Medical examination will be conducted as in the case of proposols for the State Life Insurance. Government may further, at its discretion, require a second medical opinion or direct the applicant to appear before a Medical Board.

8. The opinion of the Senior Surgeon will be obtained on each medical certificate. The examining medical officer will send his report in Form B herein prescribed, in a sealed cover to the Senior Surgeon who will transmit it with his own opinion thereon to the Comptroller for being dealt with under rule 11.

9. In the case of a person drawing an invalid pension, a certificate from a Medical Board will be insisted on. The grounds of invaliding or the statement of the pensioner's medical case should be communicated by the applicant to the certifying medical authority, who will also be furnished by the Comptroller with the medical certificate produced with the connected pension papers.

10. The applicant should himself pay the Medical Officer's fee for examination except when a second medical opinion is required or the applicant is directed to appear before a Medical Board, in which case the examination will be made free of charge by medical officers under the orders of Government.

11. The lump sum payable on commutation will be the amount certified by the Comptroller to be admissible according to the table of present values given in the appendix to these rules. The commutation allowable will be sanctioned by Government on receipt of the Comptroller's certificate. For the purpose of this rule the age of the pensioner shall be assumed to be such age, not being less than his actual age, as the certifying medical authority or the Senior Surgeon may advise.

12. (1) Commutation, when sanctioned, shall take effect from a date, to be named in the order which should ordinarily be about one month later than the date of the order and, all calculations shall be made with reference to that date. Payment of the commuted portion of pension

Rule 12 B.

will cease from the date specified and the sum payable on commutation will be paid on that date or as soon afterwards, as possible.

13. A commutation once applied for, sanctioned and given effect to, cannot be rescinded, *i.e.*, the portion of a pension commuted cannot be restored on refund of its capitalized value, provided that the appropriate authority shall

14. If a pensioner, whose pension has been commuted, dies before receiving the commutation value, this value is payable to his heirs.

15. In the case of a pensioner who is re-employed in Government service or in the service of a Local Fund and who commutes a portion of his pension before or after such re-employment, his pension for purposes of the rules in Chapter XX, Mysore Service Regulations, shall be taken at the full amount which he might have drawn if he had not commuted a portion of it.

(No. Fl. 335-95—S. & A. 1-27-2 dated, 12th July 1927.)

No. 89, dated 12th July 1927.

APPENDIX.

Table of Present Values of Commutation of Pensions.

(*Vide Rule 11.*)

Age next birthday	Commutation values expressed as number of years purchase	Age next birthday	Commutation values expressed as number of years' purchase
25	16·540	53	10·979
26	16·419	54	10·685
27	16·294	55	10·386
28	16·165	56	10·083
29	16·031	57	9·778
30	15·892	58	9·469
31	15·748	59	9·159
32	15·599	60	8·849
33	15·445	61	8·539
34	15·286	62	8·231
35	15·120	63	7·924
36	14·949	64	7·619
37	14·772	65	7·317
38	14·589	66	7·018
39	14·399	67	6·723
40	14·203	68	6·430
41	13·999	69	6·143
42	13·788	70	5·860
43	13·570	71	5·583
44	13·343	72	5·313
45	13·109	73	5·049
46	12·867	74	4·791
47	12·618	75	4·542
48	12·362	76	4·301
49	12·098	77	4·069
50	11·828	78	3·846
51	11·551	79	3·633
52	11·268	80	3·431

FORM A.

Application for commutation of pension under terms of Government Order No. Fl. 71—120—S. & A. 1-27-1, dated 4th July 1927.

I.....desire to commute a portion of my .....pension of Rs.....as.....ps.... a month. After careful consideration, I am convinced that it will be to the distinct and permanent advantage of myself and my family to apply, (as I am resolved to do), the commuted value in the manner detailed in the separate assigned statement I have attached* hereto. I also certify that I have correctly answered each and all of the questions below:—

Place..... Signature.....

Designation.....

Date..... Address.....

N.B.—In the absence of a definite purpose no portion of the pension can be commuted.

The grounds for believing that distinct and permanent advantge will be secured should be clearly noted in this statement.

Questions	Answers
1. What is the date of your birth?	
2. How much of your pension do you wish to commute?	
3. Have you any debts or liabilities? Give particulars.	
4 Have you a wife? Name the members of your family dependent on you with their respective ages.	
5. What was your monthly income from all sources during the past year? Give particulars.	
6. Do you suffer from any complaint likely to shorten life? If, so, state its nature.	

Place.....

Date.....

Signature.....

FORM B.

Statement and Opinion by Medical Officer.

Part I.—Questions to be answered by the applicant before the Medical Officer.

(The substance of the answers should be recorded by the Medical Officer.)

1. What is your age and caste?	
2. If parents are living state present age and state of health of—	
Father	
Mother	
If dead, state age at and cause of death of—	
Father	
Mother	
3. What are the respective ages and state of health, of your brothers and sisters now living? Give the age and cause of death of any who have died.	
4. Have you ever suffered from—	
(*a*) Malarial fever?	
(*b*) Other fevers?	
How often have you suffered and when last?	
5. Have you ever suffered from rheumatism.	
6. Have you ever met with any serious injury? If so, state its nature and when it occurred?	

Part II—Questions to be answered by Medical Officer examining the Applicant.

1. What is the Applicant's general configuration and physical development?	
Height	ft. in
Weight	st. lbs.
Circumference of chest ...	Inches.
2. Is his (or her) appearance that of the persons of the age stated?	
If not, state his (or her) age by appearance.	
Respiration.	
3. Have you examined the lungs with the stethoscope and by percussion?	
Are they free from abnormal sounds?	
Has he ever suffered from spitting of blood, pneumonia or asthma or chronic cough?	
What is the frequency of the respiration?	
Circulation.	
4. Have you examined the heart with the stethoscope?	
(*a*) Is there any abnormal sound?	
(*b*) What is the number and character of the pulse and is it equal on both sides?	
Digestion.	
5 (*a*) Are the spleen and liver natural in size?	

(*b*) Has he ever suffered from dropsy, fistula, hæmorrhoids or hernia?

(*c*) Has he had dysentery or idarrhœa, if so, for what period, and when?

Urinary Organs

6. (*a*) Was the urine passed in your presence?

(*b*) Have you examined it?

(*c*) If so, (1) What is the specific gravity?

(2) Is there any albumen?

(3) Is there any sugar?

(4) Is it healthy?

7. State any evidence that may be forthcoming that the nervous system is or has ever been diseased.

8. Has he had small-pox, or has he been successfully vaccinated?

9. Have you observed generally his appearance with reference to his habits?

Has he the appearance of a person whose habits and mode of living have been uniformly temporate?

10. What other defects in his health or constitution do you notice besides those elicited by the above examination.

11. State your opinion of the applicant's duration of life with reference to—

(1) His/her present health .....

Routine Notes.

[To pr

(2) The state of his/her different organs.	
(3) His/her constitution.....	
(4) The eligibility of the life (keeping in view both the personal condition and habits and the family history.)	

CERTIFICATE OF RESULT OF EXAMINATION

"I/We have carefully examined.....and am, are of opinion that he/she is-is not in good bodily health and has-has not the prospect of an average duration of life."

In the case of impaired lives, the following shall be added.

"As.....is suffering from.....his age for the purpose of commutation should be taken to be.....years.

Station..... ....

Signature of Medical Officer.

Date.....

Countersigned and forwarded to Comptroller with the opinion that.....

Date.....

Station.....

Senior Surgeon.